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3DLabs Inc., Ltd.

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
OAKLAND DIVISION

FUZZYSHARP TECHNOLOGIES
INCORPORATED,

Plaintiff,

v.

3DLABS INC., LTD.,

Defendant.

Case No. C07-CV-5948-SBA

**3DLABS' NOTICE OF MOTION AND
MOTION FOR SUMMARY JUDGMENT
OF INVALIDITY UNDER 35 U.S.C. § 101
FOR NON-PATENTABLE SUBJECT
MATTER**

The Honorable Sandra Brown Armstrong

3DLABS INC., LTD.,

Counterclaimant,

v.

FUZZYSHARP TECHNOLOGIES
INCORPORATED,

Counter-Defendant.

Date: September 9, 2009
Time: 9:00 a.m.
Courtroom: Courtroom 3, 3rd Floor
Judge: Hon. Sandra Brown Armstrong

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1 **NOTICE OF MOTION**

2 TO ALL PARTIES AND THEIR ATTORNEYS OF RECORD:

3 PLEASE TAKE NOTICE THAT on September 9, 2009, at 9:00 a.m., in the Courtroom of
 4 the Honorable Sandra Brown Armstrong located at 1301 Clay Street, Courtroom 3, 3rd Floor,
 5 Oakland, California, Defendant and Counterclaimant 3DLabs Inc., Ltd. ("3DLabs") will, and
 6 hereby does, move the Court for an entry of summary judgment ruling that Claims 1, 4, and 5 of
 7 U.S. Patent No. 6,172,679 and Claims 1 and 12 of U.S. Patent No. 6,618,047 are invalid under 35
 8 U.S.C. § 101 for failure to claim patentable subject matter, or in the alternative, for an order
 9 staying this case pending the Supreme Court's decision in the appeal of *In re Bilski*, 545 F.3d 943
 10 (Fed. Cir. 2008).

11 **MOTION**

12 Pursuant to Rule 56 of the Federal Rules of Civil Procedure and Northern District of
 13 California Civil Local Rule 56-1, 3DLabs respectfully requests that this Court issue an order
 14 declaring that Claims 1, 4, and 5 of U.S. Patent No. 6,172,679 and Claims 1 and 12 of U.S. Patent
 15 No. 6,618,047 are invalid for failure to comply with the subject matter eligibility requirements of
 16 35 U.S.C. § 101. Specifically, the claims asserted by FuzzySharp Technologies Incorporated
 17 ("FST") fail to meet the Federal Circuit's "machine-or-transformation" test for patentability under
 18 35 U.S.C. § 101 as set out in the recent decision of *In re Bilski*, 545 F.3d 943 (Fed. Cir. 2008).
 19 The claims are not "tied to a particular machine" and do not "transform[] an article into a
 20 different state or thing." *See Bilski*, 545 F.3d at 961-62. In the alternative, 3DLabs moves for an
 21 order staying this case pending the decision of the Supreme Court in the *Bilski* appeal. This
 22 motion is based on this Notice of Motion and Motion, the accompanying Memorandum of Points
 23 and Authorities, the Declaration of Jonathan D. Baker, the pleadings and papers on file in this
 24 action, and any further material and argument presented to the Court in connection with this
 25 Motion.

MEMORANDUM OF POINTS AND AUTHORITIES

I. INTRODUCTION

3DLabs respectfully moves for summary judgment of invalidity of claims 1, 4, and 5 of U.S. Patent No. 6,172,679 (“the ‘679 patent”) and claims 1 and 12 of U.S. Patent No. 6,618,047 (“the ‘047 patent”) because these process claims, the only claims at issue in this case, fail to claim patentable subject matter. These claims are process claims (*i.e.*, method claims) merely drawn to abstract mathematical algorithms and formulas for calculating whether certain surfaces are visible or hidden in 3D computer graphics. As such, the claims impermissibly seek to pre-empt the use of a fundamental mathematical principle. Accordingly, these claims are invalid for failure to claim patentable subject matter under 35 U.S.C. § 101 pursuant to the “machine-or-transformation” test for process claims set forth by the Federal Circuit in *In re Bilski*, 545 F.3d 943 (Fed. Cir. 2008), *cert. granted*, 129 S. Ct. 2735 (2009). Under the “machine-or-transformation” test, a process or method is patentable only if it (1) “is tied to a particular machine,” or (2) “transforms an article into a different state or thing.” *Id.* at 961-62. Here, the asserted claims fail to meet either branch of the test. The issue of whether a claim satisfies the requirements of 35 U.S.C. § 101 is a question of law that this Court can decide on summary judgment. Accordingly, this Court should grant summary judgment of invalidity of each of these claims for failure to claim patent eligible subject matter under § 101. In the alternative, to the extent the Court prefers to postpone ruling on this motion because of the pending Supreme Court review of the *Bilski* decision, this Court should stay the case pending the Supreme Court’s decision.

II. ISSUE TO BE DECIDED

The issue to be decided is whether FST’s asserted claims, which are all process claims drawn to abstract mathematical algorithms that are neither tied to a particular machine nor capable of transforming a particular article into a different state or thing, claim unpatentable subject matter and are thus invalid under 35 U.S.C. § 101.

1 **III. STATEMENT OF FACTS**

2 The '679 patent and the '047 patent (a continuation of the '679 patent) are both directed
 3 towards "improved method[s] for performing visibility calculations" in 3D graphics. *See*
 4 Declaration of Jonathan D. Baker, Ex. A, 2:18-21 ('679 patent), Ex. B, 2:21-24 ('047 patent).¹
 5 More specifically, the patents claim methods drawn to mathematical algorithms that can be used
 6 to reduce the calculations required to determine whether a 3D surface is visible or invisible. *See*
 7 Ex. A, 2:18-48, Ex. B, 2:21-44. Each of the claims at issue is a method claim drawn to such a
 8 mathematical algorithm. *See* Ex. A, 28:26-58, Ex. B, 28:27:66-28:16, 28:65-29:21. Claim 1 of
 9 the '047 patent, which is representative of the claims at issue, reads as follows:

- 10 1. A method of reducing the visibility related computations in 3-D
- 11 computer graphics, the visibility related computations being performed on 3-D
- 12 surfaces or their sub-elements, or a selected set of both, the method comprising:
- 13 [A] identifying grid cells which are under or related to the projections or
- 14 extents of projections associated with at least one of said 3-D surfaces
- 15 or their sub-elements;
- 16 [B] comparing data associated with said at least one of 3-D surfaces or their
- 17 sub-elements with stored data associated with the grid cells;
- 18 [C] determining which of said at least one of 3-D surfaces or their sub-
- 19 elements is always invisible or always visible to a viewpoint or a group
- 20 of viewpoints by projection based computations prior to a visibility
- 21 computations; and
- 22 [D] ignoring said determined at least one of the 3-D surfaces or their sub-
- 23 elements during said visibility computation.

24 Ex. B, 27:66-28:16.

25 As can be readily seen, the claims recite a sequence of algorithmic steps ("identifying,"
 26 "comparing," "determining," and "ignoring") that are not limited to a particular machine and do
 27 not transform any article into a different state or thing. Instead, the claims merely manipulate
 28 data using a mathematical algorithm. For example, as part of the identifying step, the
 specification describes calculating the fuzzy region of an edge using the equations set forth in
 Appendix 6. *See* Ex. A, 10:9-11, 24:32-25:39. Significantly, the claims do not even require the
 display of the resulting 3D surfaces on a computer screen. *See* Ex. A, 28:26-58, Ex. B, 27:66-
 28:16, 28:65-29:21.

¹ All references to "Ex. ___" refer to exhibits attached to the Declaration of Jonathan D. Baker submitted concurrently with this motion.

1 **IV. LEGAL STANDARDS**

2 Summary judgment is appropriate when no genuine issue of material fact exists and the
3 moving party is entitled to judgment as a matter of law. *Celotex Corp. v. Catrett*, 477 U.S. 317,
4 322-23 (1986); *Anderson v. Liberty Lobby Inc.*, 477 U.S. 242, 247-48 (1986). “Summary
5 judgment is as appropriate in a patent case as in any other . . . [and] court[s] should utilize the
6 salutary procedure of Fed. R. Civ. P. 56 to avoid unnecessary expense to the parties and wasteful
7 utilization of the jury process and judicial resources.” *Barmag Barmer Maschinefabrik AG v.*
8 *Murata Mach., Ltd.*, 731 F.2d 831, 835 (Fed. Cir. 1984). To defeat a summary judgment motion,
9 the opposing party must do “more than simply show that there is some metaphysical doubt as to
10 the material facts.” *Matsushita Elec. Indus. Co. v. Zenith Radio Corp.*, 475 U.S. 574, 586 (1986).
11 Instead, the opposing party must set forth “specific facts showing that there is a genuine issue for
12 trial.” Fed. R. Civ. P. 56(e); *Matsushita Elec.*, 475 U.S. at 587.

13 In order to be patentable, a claim must meet the subject matter requirements of 35 U.S.C.
14 § 101 which authorizes patent protection for “any new and useful process, machine, manufacture,
15 or composition of matter.” 35 U.S.C. § 101. “Whether a claim is drawn to patent-eligible subject
16 matter under § 101 is a threshold inquiry.” *Bilski*, 545 F.3d at 950. Any claim “failing the
17 requirements of § 101 must be rejected, even if it meets all of the other legal requirements of
18 patentability.” *Id.* Whether a claim is drawn to statutory subject matter under § 101 is a question
19 of law that can be decided on summary judgment. *See Classen Immunotherapies, Inc. v. Biogen*
20 *Idec*, Nos. 2006-1634, 2006-1649, 2008 WL 5273107, at *1 (Fed. Cir. 2008) (affirming the
21 district court’s grant of summary judgment that the claims are invalid under 35 U.S.C. § 101
22 pursuant to *Bilski*).

23 Although § 101 refers to patent protection for a “process,” the courts have long held that
24 not all types of processes are eligible for patent protection. *See Parker v. Flook*, 437 U.S. 584,
25 588-89 (1978); *Gottschalk v. Benson*, 409 U.S. 63, 72-3 (1972). Under § 101, a patent for a
26 process or method cannot claim “laws of nature, natural phenomena, [or] abstract ideas.”
27 *Diamond v. Diehr*, 450 U.S. 175, 191 (1981). Such fundamental principles are “part of the
28 storehouse of knowledge of all men . . . free to all men and reserved exclusively to none.” *Funk*

1 *Bros. Seed Co. v. Kalo Inoculant Co.*, 333 U.S. 127, 130 (1948). “Phenomena of nature, though
 2 just discovered, mental processes, and abstract intellectual concepts are not patentable, as they are
 3 the basic tools of scientific and technological work.” *Benson*, 409 U.S. at 67. Similarly,
 4 mathematical formulas and algorithms by themselves cannot be patented. *Diehr*, 450 U.S. at 191.

5 In *Bilski*, the Federal Circuit set forth the “machine-or-transformation” test as the
 6 “definitive test” for determining whether a method or process claim is patent eligible under § 101.
 7 See *Bilski*, 545 F.3d at 954. Under the machine-or-transformation test, a method claim can only
 8 qualify as patent-eligible subject matter if it: (A) “is tied to a particular machine or apparatus” or
 9 (B) “transforms an article into a different state or thing.” *Id.* at 961-62. Additionally, “the use of
 10 a specific machine or transformation of an article must impose meaningful limits on the claim’s
 11 scope.” *Id.* Furthermore, “the involvement of the machine or transformation in the claimed
 12 process must not merely be insignificant extra-solution activity.” *Id.* Thus, incidental or token
 13 recitations of structure or transformation are insufficient under the machine-or-transformation
 14 test. See *Ex Parte Langemyr*, No. 2008-1495, 2008 Pat. App. LEXIS 13, at *28 (Bd. Pat. App. &
 15 Interf. May 28, 2008). Moreover, the recitation of a particular purpose for a mathematical
 16 formula or algorithm does not make a claim patentable. See *Flook*, 437 U.S. at 595 (“if a claim is
 17 directed essentially to a method of calculating, using a mathematical formula, even if the solution
 18 is for a specific purpose, the claimed method is nonstatutory.”).

19 **V. ARGUMENT**

20 All of FST’s asserted claims are drawn to abstract mathematical formulas and algorithms
 21 that fail *Bilski*’s machine-or-transformation test, and accordingly, are invalid under 35 U.S.C.
 22 § 101 for failure to claim patent-eligible subject matter. As explained below, FST’s asserted
 23 claims are invalid because the claims: (1) fail to satisfy the “machine” branch of the test because
 24 they are not tied to a particular machine, and (2) fail to satisfy the “transformation” branch of the
 25 test because they do not transform a physical object or substance into a different state or thing.
 26
 27
 28

A. The Asserted Claims Fail To Satisfy The “Machine” Branch Of The Test For Patentable Subject Matter Under § 101 Because They Are Not Tied To A Particular Machine

The asserted claims fail to satisfy the machine branch of the test for patentable subject under *Bilski* because: (1) the claims are not tied to a particular machine, (2) the reference to a “computer” and “computer storage” fails to impose any meaningful limits on the scope of the claims, and (3) the involvement of the “computer” and “computer storage” merely constitute insignificant extra-solution activity.

1. The Asserted Claims Are Not Tied To A Particular Machine As Required By *Bilski*

FST’s asserted claims are not tied to a particular machine as required by the “machine” branch of the *Bilski* test. Claim 1 of the ‘047 patent makes no reference to a machine or apparatus at all, and accordingly, cannot be “tied to a particular machine,” as required by *Bilski*. Similarly, the passing references in the remaining asserted claims to performing the methods “on a computer” and to storing data “in computer storage” fail to tie the methods to any particular machine.

Indeed, following the *Bilski* decision, the district courts have consistently held that the mere recitation of a “computer” or similar language in a patent claim does not tie that claim to a particular machine under *Bilski*. See *DealerTrack, Inc. v. Huber*, No. CV 06-2335, 2009 U.S. Dist. LEXIS 58125, at *12-13 (C.D. Cal. July 7, 2009) (“Under *Bilski* and the recent decisions interpreting it, [a] central processor . . . cannot constitute a ‘particular machine’” where “[t]he [patent] does not specify precisely how the computer hardware and database are ‘specially programmed,’ and the claimed central processor is nothing more than a general purpose computer that has been programmed in some unspecified manner.”); *CyberSource Corp. v. Retail Decisions, Inc.*, No. C 04-03268, 2009 U.S. Dist. LEXIS 26056, at *20-25 (N.D. Cal. March 26, 2009) (holding that the recitation of “over the Internet” did not tie a process claim to a particular machine). The Patent and Trademark Office Board of Patent Appeals and Interferences has also reached the same conclusion. See *Ex Parte Nawathe*, No. 2007-3360, 2009 WL 327520, at *4 (Bd. Pat. App. & Interf. Feb. 9, 2009) (“We note that the recited method, while being

1 computerized, is not tied to a particular machine for executing the claimed steps.”); *Ex Parte*
 2 *Mitchell*, No. 2008-2012, 2009 WL 460662, at *6 (Bd. Pat. App. & Interf. Feb. 23, 2009) (“[T]he
 3 use of a general ‘processor’ and ‘memory’ is insufficient to render an otherwise ineligible claim
 4 patent eligible.”).

5 For example, in *DealerTrack v. Huber*, the patentee claimed a “computer aided method”
 6 of managing a credit application. *DealerTrack*, 2009 U.S. Dist. LEXIS 58125 at *4-5. The court
 7 held that the claims were not tied to a particular machine, because the patent did “not specify
 8 precisely how the computer hardware and database [were] ‘specially programmed,’ and the
 9 claimed central processor [was] nothing more than a general purpose computer that [had] been
 10 programmed in some unspecified manner.” *Id.* at *12. Similarly, here, while FST’s claims refer
 11 to being “performed on a computer” and utilizing “computer storage,” such recitations purport to
 12 general purpose computers and computer storage.

13 Similarly, in *Ex Parte Nawathe*, the appellants claimed a method and system for
 14 representing a normalized eXtensible Markup Language data structure as fixed sets of tables in a
 15 relational database. The Board of Patent Appeals and Interferences found that while the
 16 appellant’s method recited that it was “computerized,” it was nevertheless not tied to a particular
 17 machine under *Bilski*. *Ex Parte Nawathe*, No. 2007-3360, 2009 WL 327520, at *4 (Bd. Pat. App.
 18 & Interf. Feb. 9, 2009). Similarly, here, FST’s claims refer to general purpose computers and
 19 computer storage, and are not tied to a particular machine.

20 For all of these reasons, FST’s claims fail the “machine” branch of *Bilski*’s two-part test.

21 **2. The Recitation Of A “Computer” And “Computer Storage” In Some** 22 **Of The Claims Does Not Impose Any Meaningful Limit On Claim** **Scope As Required By *Bilski***

23 Additionally, even if the references to a “computer” and “computer storage” were
 24 considered to tie the claims to a particular machine, the mere recitation of these elements does not
 25 impose any meaningful limits on the claim scope as required by *Bilski*. In *Bilski*, the Federal
 26 Circuit held that the recitation of a machine “must impose meaningful limits on the claim’s scope
 27 to impart patent-eligibility.” *Bilski*, 545 F.3d at 961. Here, FST’s recitation of a “computer” and
 28 “computer storage” in some of its claims fails to impose any meaningful limit on the claim scope

1 because the method has no substantial practical application except in connection with a computer.
 2 *See Benson*, 409 U.S. at 721-22 (holding that “the mathematical formula involved here has no
 3 substantial practical application except in connection with a digital computer” and was therefore
 4 not eligible for a patent). Additionally, the mathematical algorithm merely uses the computer to
 5 perform the required calculations, but the computer does not impose any additional limits on the
 6 process itself. As a result, the recitation of the computer does not “reduce the pre-emptive
 7 footprint” of the mathematical algorithms covered by the claims. *See Bilski*, 545 F.3d at 955.

8 Indeed, district courts that have addressed this issue following *Bilski* have consistently
 9 concluded that the mere recitation of a general purpose computer to perform mathematical
 10 algorithms fails to impose any meaningful limit on claim scope. *See, e.g., Every Penny Counts,*
 11 *Inc. v. Bank of America Corp.*, No. 2:07-cv-042, 2009 U.S. Dist. LEXIS 53626, at *7-8 (M.D.
 12 Fla. May 27, 2009) (holding that computers for data input and data output and to perform the
 13 required calculations for claims covering a mathematical algorithm do not impose meaningful
 14 limitations on the claimed process); *see also CyberSource*, 2009 U.S. Dist. LEXIS 26056, at *23-
 15 24 (finding that limiting claims to uses involving the Internet did not impose any meaningful limit
 16 on the scope of the claims). The Board of Patent Appeals and Interferences at the U.S. Patent and
 17 Trademark Office has also come to the same conclusion. *See, e.g., Ex Parte Cornea-Hasegan*,
 18 No. 2008-4742, 2009 WL 86725, at *5 (Bd. Pat. App. & Interf. Jan. 13, 2009) (holding that the
 19 “recitation of a ‘processor’ performing various functions is nothing more than a general purpose
 20 computer that has been programmed in an unspecified manner” and that “[s]uch a field-of-use
 21 limitation is insufficient to render an otherwise ineligible process claim patent eligible.”);
 22 *Langemyr*, 2008 Pat. App. LEXIS 13 at *29 (holding that recitation of “computer apparatus” in
 23 preamble was “not a limitation at all to the scope of the claim, and the claim is directed, in
 24 essence, to the method performed by any means.”).

25 Therefore, FST’s references to a “computer” and “computer storage” in its claims do not
 26 provide any meaningful limits on claim scope, and FST’s claims fail to meet the “machine”
 27 branch of the *Bilski* test for this reason as well.²

28 ² Additionally, the fact that the asserted claims apply the mathematical algorithm to the field of
 3D computer graphics does not provide a meaningful limit on the claim scope or transform the

3. The “Computer” and “Computer Storage” Recited In Some of the Claims Provide Merely Insignificant Extra-Solution Activity

In addition to the reasons discussed above, the recitation of a “computer” and “computer storage” in some of the claims cannot impart patent eligibility because those structures merely perform insignificant extra-solution activity. In *Bilski*, the Federal Circuit prohibited reliance on “insignificant extra-solution activities” to meet the machine-or-transformation test in order to prevent patentees from circumventing the policy underlying the test. *See Bilski*, 545 F.3d at 957. As the Supreme Court observed, “[a] competent draftsman could attach some form of post-solution activity to almost any mathematical formula.” *Flook*, 437 U.S. at 590. And allowing extra-solution activity, no matter how conventional, to transform an unpatentable principle into a patentable method “exalts form over substance.” *Id.* Here, the claimed mathematical algorithm uses a computer to perform the required calculations and to store the data in computer storage. However, the involvement of the computer and computer storage are merely insignificant extra-solution activity because they involve merely conventional activities and do not add any significant limits on the process itself. *See Every Penny Counts*, 2009 U.S. Dist. LEXIS 53626 at *7 (“The involvement of the machine in the process is insignificant extra-solution activity and thus the process is not patentable under § 101.”); *Langemyr*, 2008 Pat. App. LEXIS 13 at *48-49 (holding that recitation of “storing said input data . . . in a memory of the computer system” is insufficient to render claim patentable). Accordingly, the “computer” and “computer storage” references cannot render the asserted claims patentable.

B. The Asserted Claims Fail To Satisfy The “Transformation” Branch Of The Test For Patentable Subject Matter Under § 101 Because They Do Not Transform An Article Into A Different State Or Thing

In addition to failing the “machine” branch of the *Bilski* test as discussed above, the asserted claims also fail to satisfy the “transformation” branch of the *Bilski* test because they do not transform an article into a different state or thing. In order to be patentable under the

unpatentable mathematical algorithms into patentable subject matter. *See Flook*, 437 U.S. at 595 (“if a claim is directed essentially to a method of calculating, using a mathematical formula, even if the solution is for a specific purpose, the claimed method is nonstatutory.”); *Diehr*, 450 U.S. at 191 (“A mathematical formula as such is not accorded the protection of our patent laws, and this principle cannot be circumvented by attempting to limit the use of the formula to a particular technological environment.”).

1 “transformation” branch of the *Bilski* test, a method claim must transform physical objects or
2 substances, or something representing physical objects or substances into a different state or
3 thing. *See Bilski*, 545 F.3d at 962-3. Moreover, the transformation “must be central to the
4 purpose of the claimed process.” *Id.* at 962. Claims to a mathematical algorithm, like the claims
5 in this case, fail the test because they do not transform an article into a different state or thing.
6 The claims merely manipulate abstract data to reach the solution to a mathematical formula,
7 which is insufficient to meet the “transformation” branch of the *Bilski* test. *See CyberSource*,
8 2009 U.S. Dist. LEXIS 26056 at *10 (“There is no indication that the Federal Circuit, having
9 reaffirmed the machine-or-transformation test, intended to weaken the key term ‘transformation’
10 by equating it with mere manipulation.”). Here, there is no language in the claims to even
11 suggest that a physical object or substance, or something representing a physical object or
12 substance, is transformed into a different state or thing.

13 FST may attempt to argue that claim 4 of the ‘679 patent transforms an article to a
14 different state or thing because it refers to “physical data.” Specifically, claim 4 reads: “A
15 method as claimed in claim 1, wherein said images are selected from the group consisting of
16 graphic images, computer vision data, abstract data and physical data.” Ex. A, 28:53-55.
17 However, this argument fails. As an initial matter, it is not clear that the reference to “physical
18 data” can make this claim patentable when it is just one member of a group that also includes
19 “graphic images” and “abstract data” which need not represent any physical object or substance at
20 all. More importantly, claim 4 does not transform the physical data into a different state or thing.
21 At most, claim 4 merely performs mathematical manipulations on the data, which is insufficient
22 under *Bilski*. *See CyberSource*, 2009 U.S. Dist. LEXIS 26056 at *10. Significantly, claim 4 does
23 not require a display of the results of the mathematical algorithm on a computer screen. This is in
24 contrast to the claim at issue in *In re Abele* where the transformation of X-ray data “into a
25 particular visual depiction of a physical object on a display was sufficient to render that . . .
26 process patent-eligible.” *See Bilski*, 545 F.3d at 963 (discussing *In re Abele*, 684 F.2d 902
27 (C.C.P.A. 1982)). Thus, the asserted claims do not to transform an article into a different state or
28 thing, and therefore fail the transformation branch of the *Bilski* test.

C. The Court Should Grant 3DLabs' Motion For Summary Judgment Or Alternatively Stay The Case

As shown above, FST's asserted claims are invalid under § 101 for failure to claim statutory subject matter under the test set forth by the Federal Circuit in *Bilski*. FST may argue, however, that summary judgment should not be granted because the Supreme Court recently granted certiorari in *Bilski*. This argument lacks merit because the Federal Circuit's "machine-or-transformation" test is the current controlling law regarding patentable subject matter and summary judgment should be granted accordingly. *See Lakeside Community Hospital v. Tahoe Regional Planning Agency*, 461 F. Supp. 1150, 1153 (D. Nev. 1978) ("[T]his Court is duty bound to follow the law as articulated by the Court of Appeals for this Circuit. . . . That a writ of certiorari has issued from the United States Supreme Court to the Court of Appeals does not relieve this Court of that duty."). Nonetheless, to the extent that the Court prefers to postpone granting this Motion until the conclusion of the Supreme Court's review of *Bilski*, 3DLabs respectfully requests that the Court stay this case pending the Supreme Court's decision in the *Bilski* appeal.

A court may stay proceedings as part of its inherent power "to control the disposition of the causes on its docket with economy of time and effort for itself, for counsel, and for litigants." *Landis v. N. Am. Co.*, 299 U.S. 248, 254 (1936). Exercise of this power "calls for the exercise of judgment, which must weigh competing interests and maintain an even balance." *Id.* at 254-55. Considerations often undertaken by a court include "(1) the judicial resources that will be saved . . . , (2) the hardship or inequity to the moving party if the action is not stayed, and (3) the potential prejudice to the non-moving party." *Abbott Laboratories, Inc. v. Medtronic, Inc.*, No. C-08-4962-DLJ, 2009 U.S. Dist. LEXIS 29283, at *4 (N.D. Cal. March 24, 2009). Courts in this district have previously stayed cases pending expected decisions from an appellate court. *See, e.g., Rambus Inc. v. NVIDIA Corp.*, No. C 08-3343 SI; C 08-5500 SI, 2009 U.S. Dist. LEXIS 19204, at *6 (N.D. Cal. March 11, 2009) (finding that it was proper to stay a case pending a potentially dispositive Federal Circuit decision).

Here, judicial resources will be conserved by staying the case because it would be a waste

of judicial resources to continue litigating over patents that are invalid under the current law. For the same reason, it would be inequitable to require 3DLabs to continue to expend time and money defending against infringement claims based on patents that are presently invalid. Finally, FST, as a non-practicing entity, will not suffer any unfair prejudice if the case were stayed.

VI. CONCLUSION

For all of the foregoing reasons, 3DLabs respectfully requests that the Court grant 3DLabs' motion for summary judgment that claims 1, 4, and 5 of the '679 patent and claims 1 and 12 of the '047 patent are invalid under 35 U.S.C. § 101. In the alternative, 3DLabs respectfully requests that the Court stay this case pending the Supreme Court's decision in *Bilski*.

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